Sea Enterprise

Right *Force*
Right *Readiness*
Right *Cost*

Sea Power 21

Projecting decisive joint capabilities!

Resourcing tomorrow's fleet!

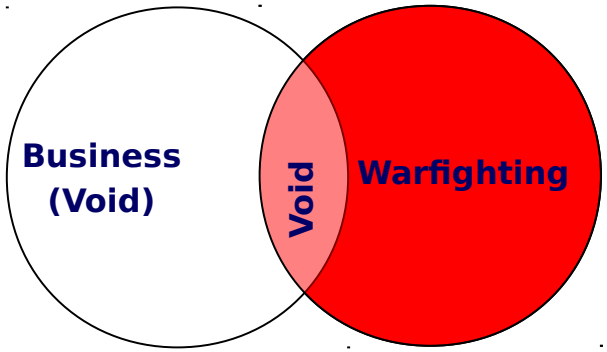
4 Aug 04
IT Working Group
Governance Recommendations

Governance Interfaces and Relationships

IM/IT Governance
Organizational interfaces and reporting relationships

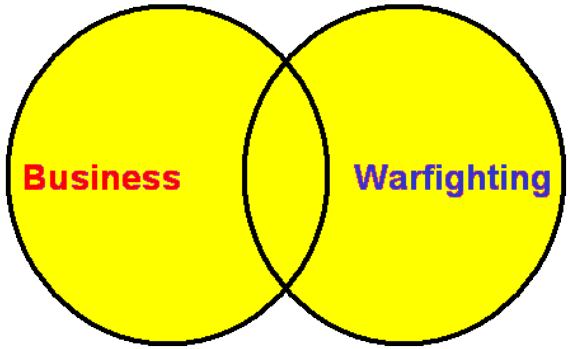
1

Today



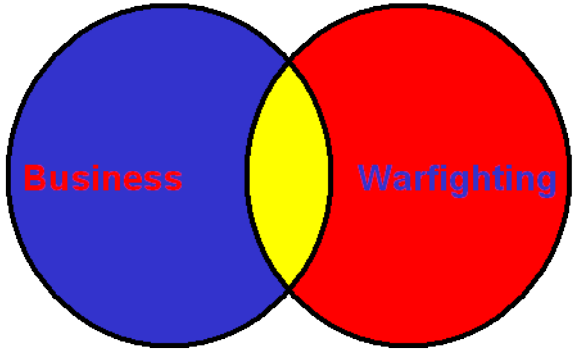
2

One person in charge



3

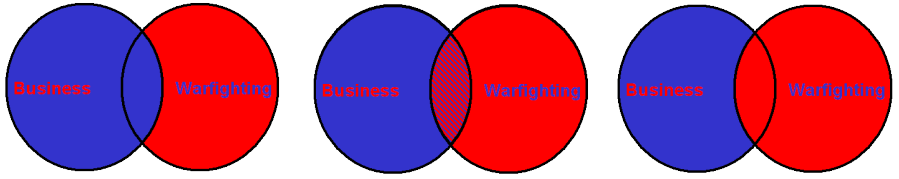
Three, in coordination



Business ← Integrator → Warfighting

4

Two, in coordination, assign responsibility for overlap

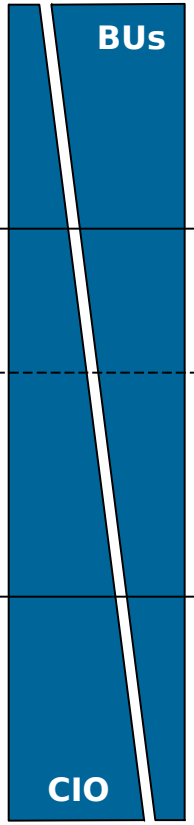


Business ← → Warfighting

Operating Model

Operating Principles by Asset / Initiative Category

Illustrative

Asset / Initiative Category	Accountability for Business and Technical Results	Degree of Responsibility	Operating Principles
BU Specific Systems • Competitive differentiators • Core or other unique business systems	**Business Unit (BU)**		▪ BUs have the responsibility and accountability for defining, delivering, and achieving planned results for initiatives, and will own / manage the ongoing plans for the asset ▪ BUs will propose major initiatives for prioritization and approval as part of the investment portfolio; minor initiatives will not be subject to executive review
Shared Systems • Systems shared between two BUs	**BU**		▪ CIO will work with the BUs to define, deliver, and manage the on-going plan for assets that address shared needs, however, BUs will be accountable
• Enterprise systems common to multiple or all BUs	**BU/CIO**		▪ Initiative Steering Committees, with CIO and cross-BU representation will govern the delivery of new assets ▪ Accountability for governing enterprise systems will transfer to the CIO from the BUs once they become production systems. Asset Owner Groups will be led by the CIO with cross-BU representation
Infrastructure • IT infrastructure (networks, servers) • Common desktop environment • Common architectures	**CIO**		▪ CIO will deliver and maintain infrastructure components ▪ BUs will adhere to standards developed and maintained by CIO, with established criteria to deviate ▪ CIO will work with the BUs to maintain alignment of common assets with business needs

Source: Accenture analysis

Orga

A spectrum of organizational models exists for IT. Most companies have adopted the 'Federated' model.

FEDERATED MODEL

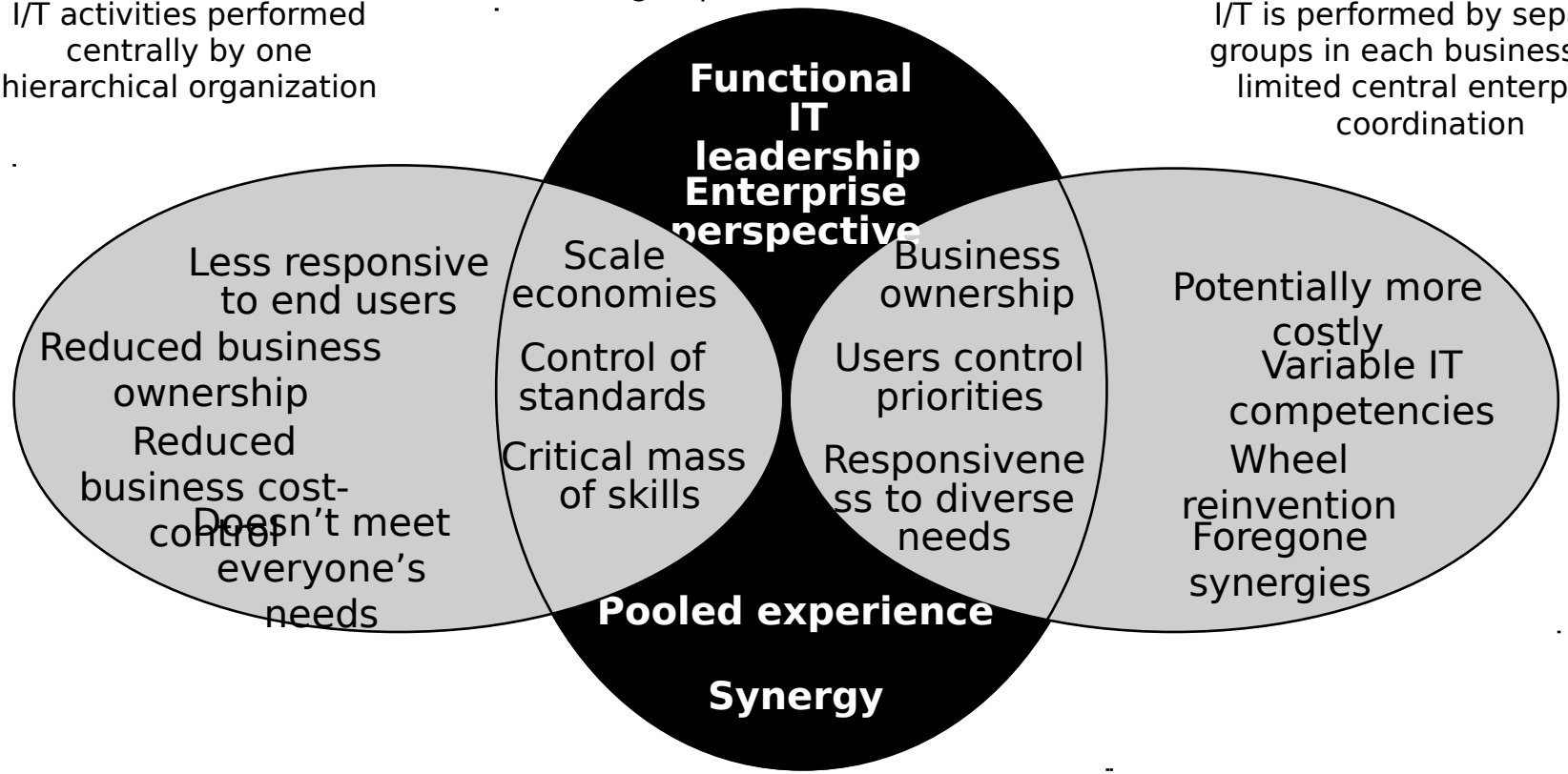
I/T activities performed by a combination of business- specific I/T groups and the central I/T

CENTRALIZED MODEL

I/T activities performed centrally by one hierarchical organization

DECENTRALIZED MODEL

I/T is performed by separate groups in each business with limited central enterprise coordination



Governance Model

Business and IT Leadership Committees/ Structures

VCNO

Two Tiers

Senior Leaders
(both vertically and horizontally)

Business Leadership --- Selected Business Units (e.g., EIIs) Leads and Functional Leads

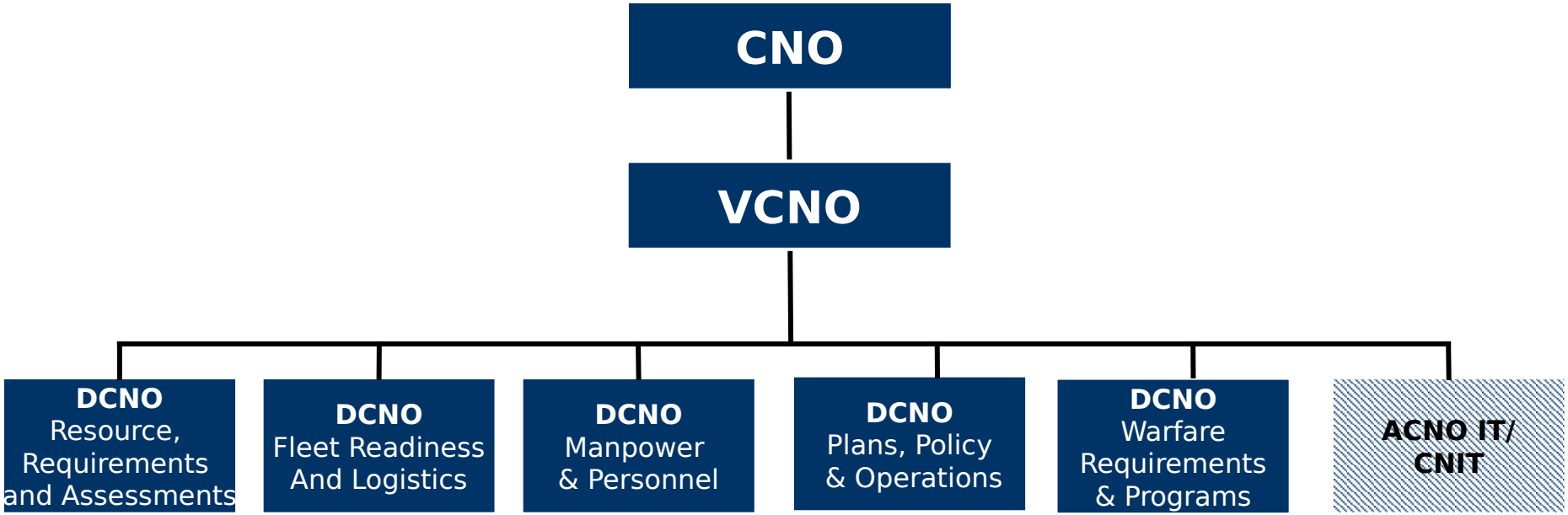
IT/IM Leadership ---Selected IOs of Business Units (EIIs) and Functions

Commercial --- Corporate CIO, CIOs of Primary Business Units, Primary Functional Leaders, etc…

- All IM/IT capabilities and services in support of Navy afloat and ashore Business and War Fighting strategies/ efforts
- Act as a single voice for Navy IT strategies and activities to outside venues
- Oversee execution of courses of actions approved by a “corporate board” (SE BOD-execution; CEB, POM/BUDGET)
- Ensure effective and timely synchronization with USMC and Secretariat (DONCIO, PEO-IT, PEO-C4I)
- Provide for readiness of deploying networks
- Act as claimant for all non-acquisition IM/IT resources
- Act as Resource Sponsor for all enterprise IM/IT resources (infrastructure and Enterprise applications)
- Under N7, act as FORCENET Capability Sponsor
- First priorities
  - Mature FORCENET architecture
  - Establish NMCI capability: Single POC for users

Detailed Roles and Responsibilities

PRELIMINARY

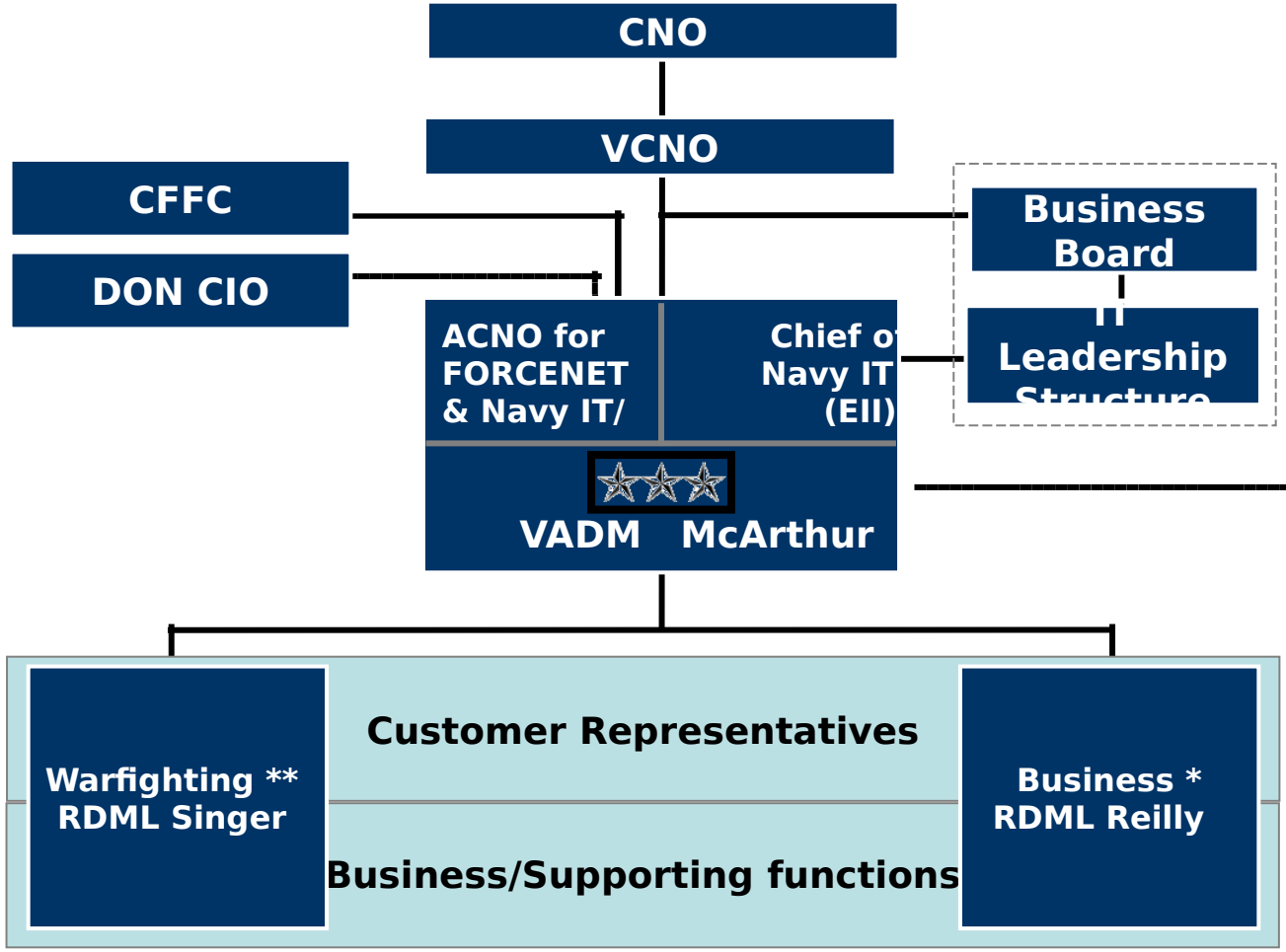


Dual Hat:

Assistant Chief of Naval Operations (FORCENET/Navy IT) (ACNO IT) - Echelo
Chief of Navy IT (CNIT) – Echelon II

New IT organizational entity

Recommendation – Organizational View



Business Leader, EII Leads
- Business Priorities
- Sponsorship
- Investment decisions

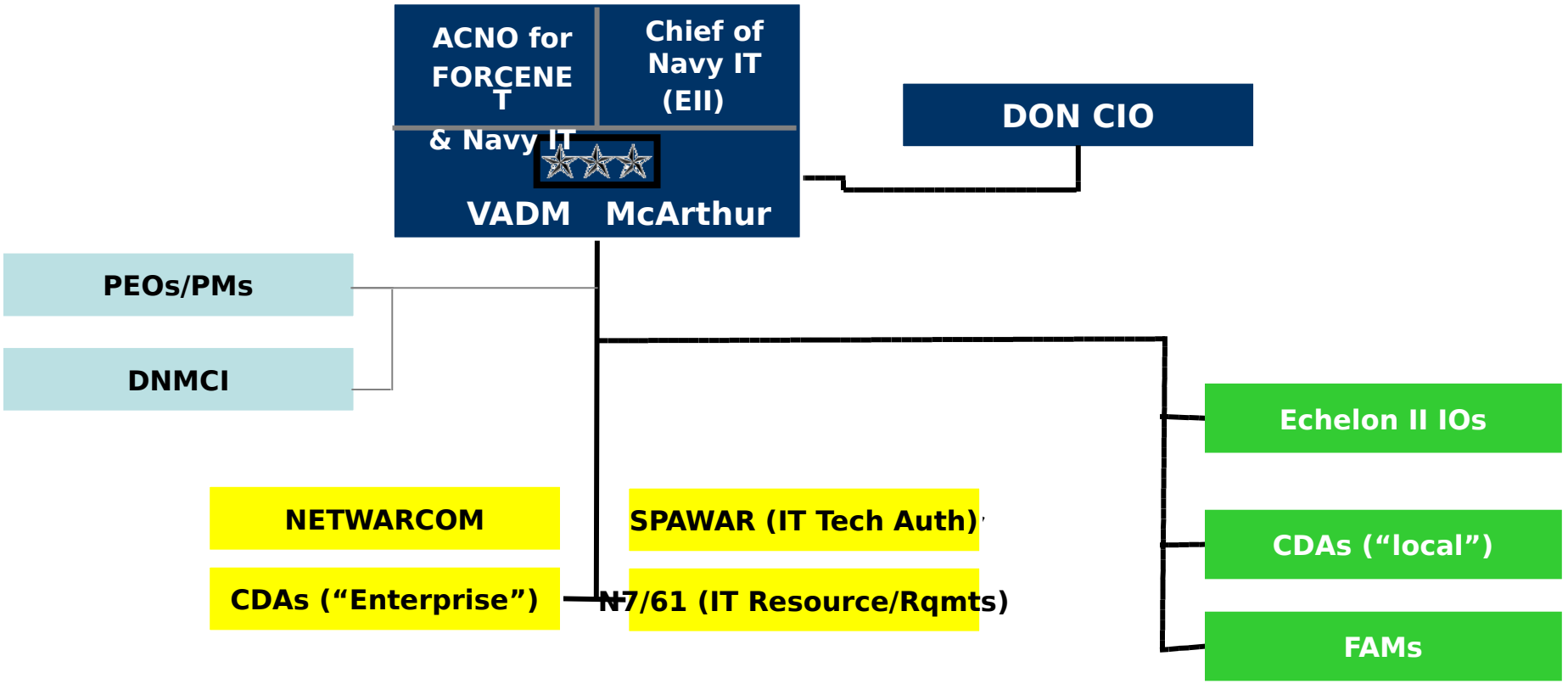
ACNO IT, EII IOs, Functions
- Standards
- Resource Requirements
- Operating Performance

Local/ BU Needs
- Echelon II IOs
- CDAs ("local")

Acquisition
- PEOs/ PMs

Business Process Expertise
- FAMs

Recommendation – Reporting View



Requirements determination

Add Direct Reporting Relationship

Add Indirect Reporting Relationship

Why it is better

- Maintains strong connection to the Fleet, while ensuring IT is aligned with and serves the needs of the business
- Promotes commonality/ integration among Warfighting and Business IT
- Focuses on enterprise-wide IT execution
- Provides visibility into and control over IT costs
- Provides IT policy and standards enforcement
- Drives accountability through common IT performance metrics
- Establishes clear IT organizational roles and responsibilities, although more detailed organizational/ process design is needed

- Gain VCNO and SEBOD approval for the IT working group's IT Governance recommendations
- Stand up Task Force led by the "Chief of Navy IT" to execute following actions NLT 1 October 04:
  - Develop detailed IT governance process definitions
  - Align organizational roles and responsibilities for process execution
  - Develop detailed organization structure
  - Define resource requirements needed to manage/ operate these processes
  - Develop transition plan to the "future state" and staff the organization
  - Develop required communication and training plan
- Consolidation of execution resources (EII) by 1 January 05

Execu

- Speed to implementation and operation
- Effect resource and workforce transfer
- Clear lanes and effective integration with SECNAV organizations
- Availability of skilled resources to perform this work
- Ability of IT deliver business value without a Navy business executive in place

Recommendation – Functional View

ACNO for FORCENET & Navy IT/ Chief of Navy IT *
VADM McArthur

Warfighting ** RDML Singer

Customer Representatives
- Service Management
- Demand Management
- Integration

Business * RDML Reilly

Operations/ Requirements
- IT Infrastructure Mgmt. (e.g., Networks)
- Network Security
- Service Mgmt.
- Network/ System Integration
- System Requirements (e.g., FORCENT)
- Technical Architecture

Program Execution
- Program Oversight/ Responsibility
- Program Planning
- Program Delivery/ Implementation
- Budget Responsibility
- Lifecycle Mgmt.

Business / IT Support
- Strategic Planning
- Policy/ Standards/ Architecture
- Resource/ Financial Management
- IT Performance Management

Local/ BU Needs
- Business/ IT priorities
- "Local" IT needs
  - Infrastructure
  - Systems
  - Support

Acquisition
- Vendor Selection
- Contracting
- Vendor Mgmt.

Business Process Expertise
- Business Outcomes
- Business Processes
- Applic. Architecture
- Applic. Portfolio Mgmt.

* Located in DC
** Located in Norfolk

Our Task: Comp

- The SEBOD requested a core working group* be established to develop recommendations to the following IT Governance questions:
  - ☐ Who should be the “Chief of Navy IT”? ✓
  - ☐ What should be the “Chief of Navy IT” scope and responsibilities? ✓
  - ☐ What should be the “Chief of Navy IT” organizational interfaces & reporting relationships? ✓
  - ☐ How should the “Chief of Navy IT” organization be structured?
  - ☐ What risks/ challenges exist to implementation? ✓
  - ☐ What is the path forward? ✓

☐ **We now request approval for our recommendations** ✓

* The IT Governance working group consists of DNS, RADM Munns, RDML Singer, RDML Reilly, Mark Honecker, Pat Tamburrino and Accenture support

Roles and Re

PRELIMINARY

Strategy & Planning	• Over see Navy IT Strategy development, planning and investment processes (e.g., act as an advocate for IM/IT capabilities needed to achieve Navy objectives) • Maintain consistency in development paths of afloat and ashore business and warfighting IM/IT, while synchronizing with USMC and OSN (collaboration) • Decide on and advise IT stakeholders on IT activities/ areas of responsibilities and those performed by "central" versus "Business Unit" • Manage development, maintenance and compliance to IT standards/ policies (ownership for Navy only and collaboration of DON standards/ policies) • Manage IT-enabled business/ mission capabilities requirements definition process • Develop prioritization/ approval criteria for major IT-enabled initiatives & oversee prioritization process
Resource Management	• Establish/ manage process for collecting and controlling IT costs and expenditures (collaborate w/ N8) • Prioritize and recommend IT spend levels for Navy • Establish and lead the process for deploying IT resources to centrally-managed initiatives/ programs • Centrally manage relationships with common IT suppliers/ vendors (collaborate w/ PEO IT)
Execution	• Plan and manage all IT infrastructure/ networks/ assets to ensure operations consistent with expected standards of availability, reliability, security, etc. • Manage/ drive execution excellence (e.g., design, development, implementation), e.g., – Direct Navy actions to complete establishment of NMCI expected capability – Mature the FORCENET architecture • Provide project/ program oversight and QA on major, high-risk IT enabled initiatives • Manage and report on the IT performance measurement process (across BUs & functions) • Monitor/ evaluate technology trends & impact on business/ mission performance (collaboration w/ BUs) • Represent Navy issues/ concerns in DON, Joint, OSD, etc. venues (collaboration) • Synchronize Navy to PEO-IT, PEO-C4I,and DONCIO relationships

BACK

Path Fo

1. Define Navy IM/IT Leadership Structure and Roles

- Navy IM/IT scope and responsibilities
- Navy IM/IT org. interfaces and reporting relationships
- Make a recommendation on who should be the "Chief of Navy IT"
- Navy IT organization structure
- Risks/ challenges with implementation
- Path forward to position "Chief of Navy IT" for success

Current Focus of Core Working Group

2. Develop IM/IT Governance Processes

- Prioritized IT governance processes
- Current IT process gaps and requirements
- Detailed target governance process definition/linkages

3. Align Organizational Roles/Resp. for Process Execution

- IT organization operating / functional structure
- Accountability for IT assets and initiatives
- Process "owners"; process execution roles/resp.
- Org. staffing

4. Identify Benefits and Impact of Proposed IM/IT Governance

- Benefits/Impact Assessment, e.g., mission effectiveness, business - IT strategy alignment, process efficiency, IT cost management

5. Develop IM/IT Governance Transition Plan

- Phased process and governance rollout plan, e.g., priorities, team, timing, resources
- Communication and training plan

6. Execute IM/IT Governance Structure and Processes

- Governance body kickoffs; organizational re-alignment
- Process walkthroughs; trained process constituents
- "Leading practice" collateral templates/ examples
- Communication plan execution
- Change sustainability and mitigation plans

Kickoff

VCNO Agreement Aug '04

Sept '04

IT Leadership Council Checkpoints

VCNO Agreement Jan '05